

Public Employees Retirement Association

Revenue Stabilization and Tax Policy Committee

Representative Edward C. Sandoval, Chairman

Senator Carlos R. Cisneros, Vice Chairman

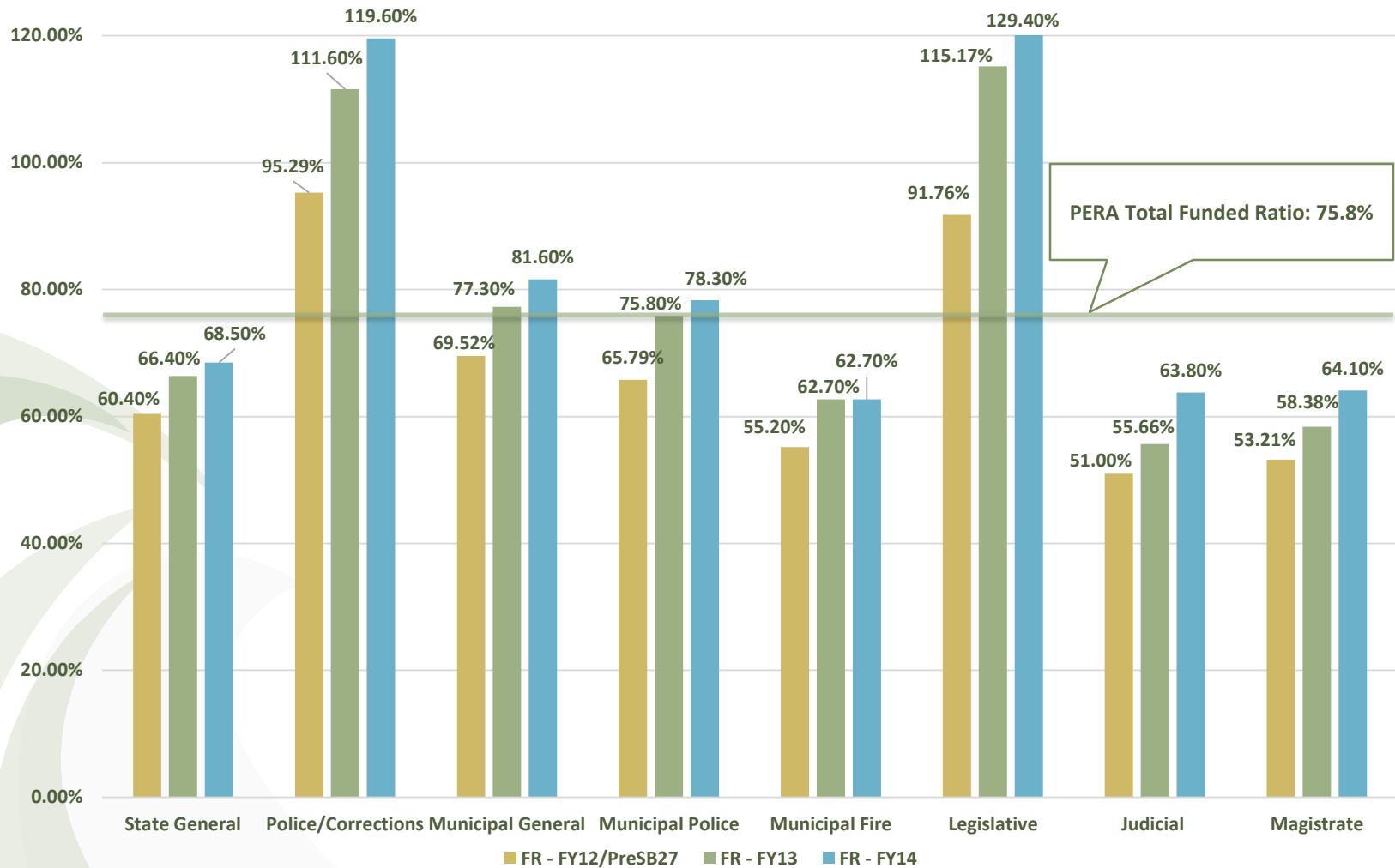
December 18, 2014

Patricia (Patty) French, Board Chair, PERA

Wayne Propst, Executive Director, PERA



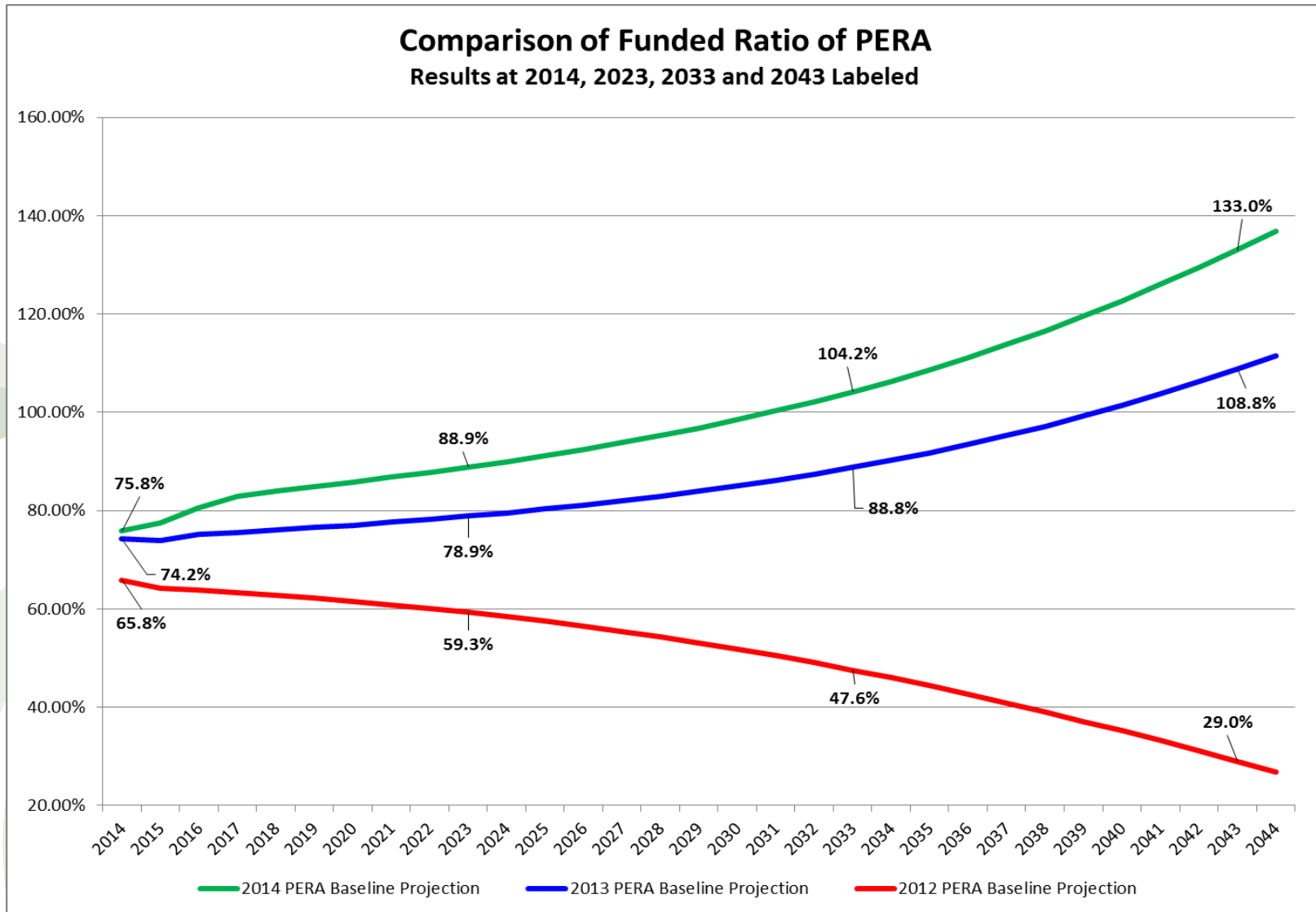
FY14 Actuarial Valuation Results



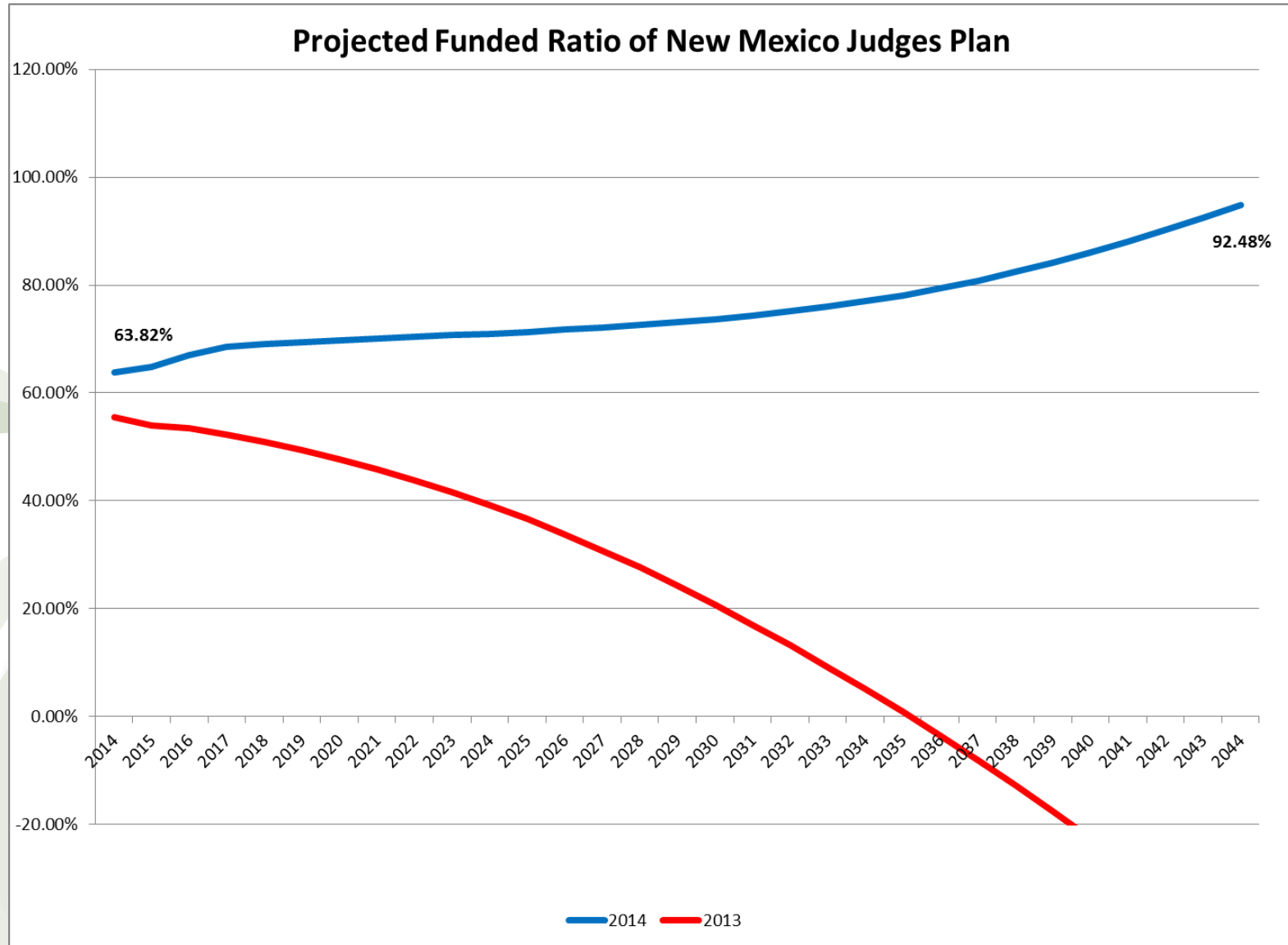
***PERA's Unfunded Actuarial Accrued Liability (UAAL) declined by \$321 million and stands at \$4.3 billion for FY14**

***Volunteer Firefighter Fund is funded at 139% in FY14**

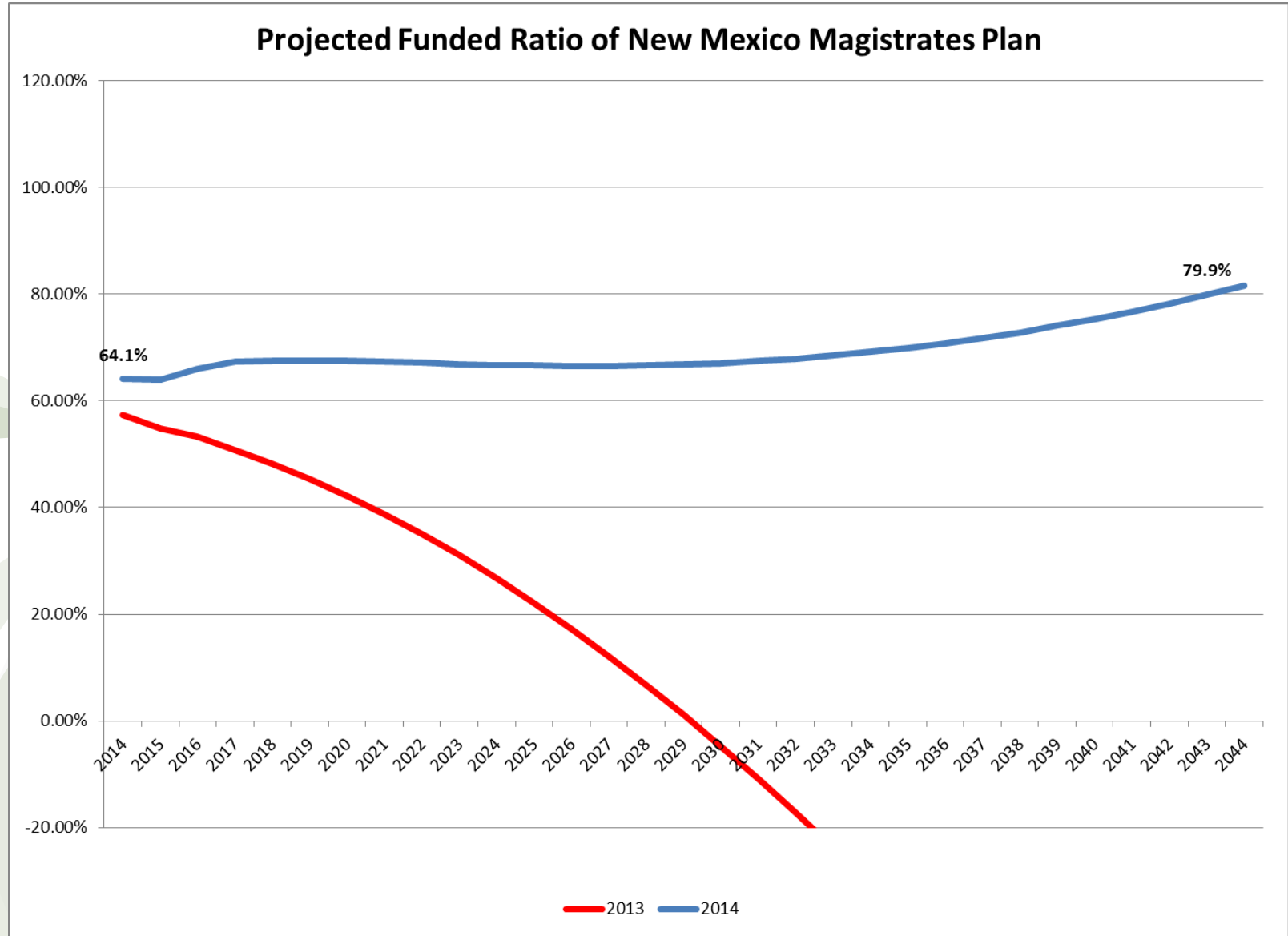
30 Year Projected Funded Ratio



Projected Funded Ratio of JRA



Projected Funded Ratio of MRA



Average Annual Pensions FY 2014

Plan	Average Annual Pension	Average Age at Retirement
PERA Total	\$27,900	58.3 years
State General	\$26,556	59.7 years
State Police/Adult Corrections	\$31,572	51.0 years
Municipal General	\$25,236	59.8 years
Municipal Police	\$40,224	49.1 years
Municipal Fire	\$42,252	49.2 years
Judicial	\$56,640	62.5 years
Magistrate	\$56,832	62.3 years
Legislative	\$5,004	65.0 years
Volunteer Fire	\$1,872	64.7 years

Lifetime Pension Accruals

Lifetime Pension Payments to Average Municipal Police Retiree			
	<i>70% Accrued</i>	<i>80% Accrued</i>	<i>90% Accrued</i>
Retirement Age	48	50.86	53.72
Service at Retirement	20	22.86	25.72
Lifetime Benefit	\$1,981,111	\$2,151,572	\$2,453,784
Total Career Contributions (No Pick Up)	\$131,082	\$161,881	\$197,044
Total Career Contributions (75% Pick Up)	\$31,771	\$40,470	\$49,261

Assumes member attains 20 years of service (70% accrued) at age 48 on June 30, 2014 with a \$60,000 final average salary. Life expectancy based on new assumptions for 2014. COLA deferred 3 full years for retirement at age 48 and 7 full years for later retirements.

Lifetime Pension Accruals

Lifetime Pension Payments to Average Municipal Firefighter Retiree			
	<i>70% Accrued</i>	<i>80% Accrued</i>	<i>90% Accrued</i>
Retirement Age	48	50.86	53.72
Service at Retirement	20	22.86	25.72
Lifetime Benefit	\$1,981,111	\$2,195,924	\$2,555,991
Total Career Contributions (No Pick Up)	\$141,123	\$176,694	\$218,142
Total Career Contributions (75% Pick Up)	\$35,281	\$44,174	\$54,536

Assumes member attains 20 years of service (70% accrued) at age 48 on June 30, 2014 with a \$60,000 final average salary. Life expectancy based on new assumptions for 2014. COLA deferred 3 full years for retirement at age 48 and 7 full years for later retirements.

Lifetime Pension Accruals

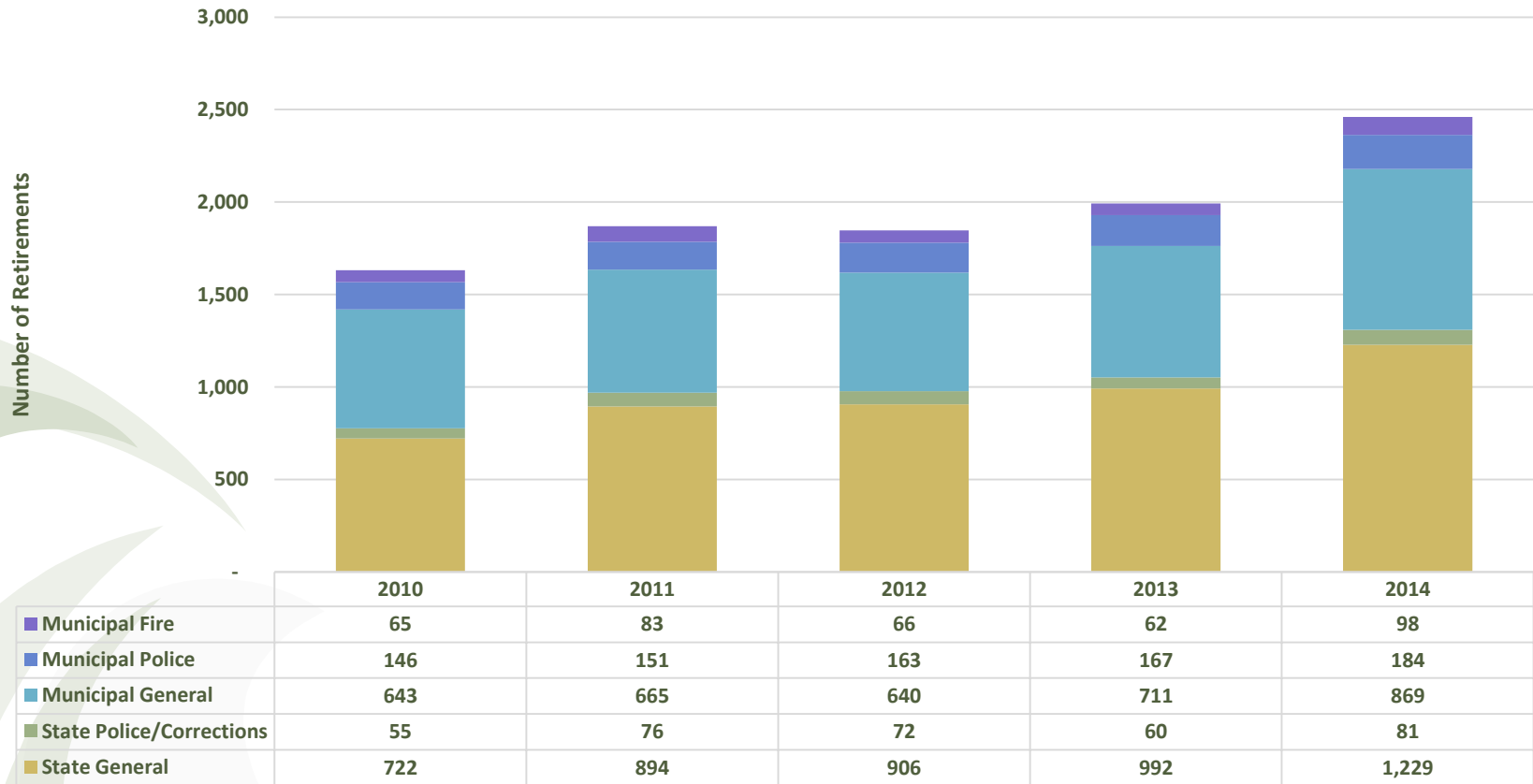
Lifetime Pension Payments to Average State General Retiree			
	<i>75% Accrued</i>	<i>80% Accrued</i>	<i>90% Accrued</i>
Retirement Age	58	59.67	63
Service at Retirement	25	26.67	30
Lifetime Benefit	\$1,397,958	\$1,441,010	\$1,499,152
STATE - Total Career Contributions (No Pick Up)	\$90,386	\$100,203	\$121,723
MUNI 4 - Total Career Contributions (No Pick Up)	\$173,779	\$192,654	\$234,030
MUNI 4 - Total Career Contributions (75% Pick Up)	\$43,445	\$48,164	\$58,508

Assumes member attains 25 years of service (75% accrued) at age 58 on June 30, 2014 with a \$60,000 final average salary. Life expectancy based on new assumptions for 2014. COLA deferred 3 full years for retirement at age 58 and 4 full years for retirement at age 59.67 and 7 full years for later retirements.

PERA at a Glance for FY14

Active PERA Members	49,288
Retirees and Beneficiaries	33,562
Retiree Payroll	\$938,822,760
Member Contributions	\$238,695,585
Employer Contributions	\$301,601,232
Member Contribution Refunds	\$47,430,477
Active Member Payroll	\$2,102,265,325
Participating Employers	334
Retirement Plans	31 plans/2 Benefit Tiers
PERA Net Assets 6/30/2014	\$14.5 billion
PERA Total Funded Ratio as of 6/30/2014	75.8%

Retirements by Plan Type FY10 – FY14



Return to Work by Type*						
	State General	State Police/ Corrections	Municipal General	Municipal Police	Municipal Fire	Total
FY14	282	3	286	159	16	746

*Re-employed retirees who commenced employment between 2003 and June 30, 2010

Conclusions

- Improvements in PERA 30 year funding projections are largely due to better than projected investment performance including a return of 17.03% in FY14. However, if the projections were re run today based on FY15 year-to-date returns, the funded ratio would drop from 133.0% to approximately 111%.
- Because of the continued uncertainty, the PERA Board is requesting that the Legislature consider a moratorium on further changes to the PERA benefit to allow sufficient experience to be developed and pension reform measures to take hold.